New Commission to look into Centre-State Relations

*9. DR. KARAN SINGH:
DR. T. SUBBARAMI REDDY:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government are considering to have a new Commission to deal with the issues concerning Centre-State relations;

(b) if so, to what extent this Commission will be different than the earlier one;

(c) what are the number of issues that will be considered by this Commission;

(d) by when this Commission is likely to be formed; and

(e) by when it is likely to submit its report?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MANIKRAO GAVIT): (a) to (e) In terms of its commitment made in the Common Minimum Programme, the Government has notified on the 30th September, 2005 the setting up of a Commission on Centre State relations keeping in view the sea-changes that have taken place in the polity and economy of India since the Sarkaria Commission last looked at these issues over two decades ago.

2. The terms of reference of the new Commission as compared to the Sarkaria Commission are more broad-based. The terms of reference of the Sarkaria Commission, which was set up in June, 1983, were as under:—

> "The Commission will examine and review the working of the existing arrangements between the Union and States in regard to powers, functions and responsibilities in all spheres and recommend such changes or other measures as may be appropriate.
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> In examining and reviewing the working of the existing arrangements between the Union and States and making recommendations as to the changes and measures needed, the Commission will keep in view the social and economic developments that have taken place over the years and have due regard to the scheme and of paramount importance for promoting the welfare of the people."

3. As against the above, the terms of reference of the new Commission are as follows:

(i) The Commission will examine and review the working of the existing arrangements between the Union and States as per the Constitution of India, the healthy precedents being followed, various pronouncements of the Courts in regard to powers, functions and responsibilities in all spheres including legislative relations, administrative relations, role of governors, emergency provisions, financial relations, economic and social planning, Panchayati Raj institutions, sharing of resources; including inter-state river water and recommend such changes or other measures as may be appropriate keeping in view the practical difficulties.

(ii) In examining and reviewing the working of the existing arrangements between the Union and States and making recommendations as to the changes and measures needed, the Commission will keep in view the social and economic developments that have taken place over the years particularly over the last two decades and have due regard to the scheme and framework of the Constitution. Such recommendations would also need to address the growing challenges of ensuring good governance for promoting the welfare of the people whilst strengthening the unity and integrity of the country, and of availing emerging opportunities for sustained and rapid economic growth for alleviating poverty and illiteracy in the early decades of the new millennium.

(iii) While examining and making its recommendations on the above, the Commission shall have particular regard, but not limit its mandate to the following:—

(a) The role, responsibility and jurisdiction of the Center vis-a-vis States during major and prolonged outbreaks of communal violence, caste violence or any other social conflict leading to prolonged and escalated violence.

(b) The role, responsibility and jurisdiction of the Centre vis-a-vis States in the planning and implementation of the mega projects like the inter-linking of rivers, that would normally take 15-20 years for completion and hinge vitally on the support of the States.

(c) The role, responsibility and jurisdiction of the Center vis-a-vis States in promoting effective devolution of powers and autonomy to Panchayati Raj Institutions and Local Bodies including the Autonomous Bodies under the 6th Schedule of the Constitution within a specified period of time.

(d) The role, responsibility and jurisdiction of the Centre vis-a-vis States in promoting the concept and practice of independent planning and budgeting at the District level.

(e) The role, responsibility and jurisdiction of the Center vis-a-vis States in linking Central assistance of various kinds with the performance of the States.

(f) The role, responsibility and jurisdiction of the Center in adopting approaches and policies based on positive discrimination in favour of backward States.

(g) The impact of the recommendations made by the 8th to 12th Finance Commissions on the fiscal relations between the Centre and the States, especially the greater dependence of the States on devolution of funds from the Centre.

(h) The need and relevance of separate taxes on the production and on the sales of goods and services subsequent to the introduction of Value Added Tax regime.

(i) The need for freeing inter-State trade in order to establish a unified and integrated domestic market as also in the context of the reluctance of State Governments to adopt the relevant Sarkaria Commission's recommendation in chapter XVIII of its report.

(j) The need for setting up a Central Law Enforcement Agency empowered to take up *suo moto* investigation of crimes having inter-State and/or international ramifications with serious implications on national security.

(k) The feasibility of a supporting legislation under Article 355 for the purpose of *suo moto* deployment of Central forces in the States if and when the situation so demands.

4. The Commission shall consist of a full time Chairperson and four full-time Members, who are yet to be appointed. No time limit can be fixed as to by when the Commission will be fully constituted. It is envisaged that the Commission will complete its work and submit its report with recommendations with two years.

Shortage of power

*10. SHRI DHARAM PAL SABHARWAL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that there is acute shortage of power in the country and Government have failed to achieve the target of supplying adequate power to various States;

(b) if so, the details thereof reasons therefore; and

(c) whether Government are considering strengthening the NTPC for generation of more power in various parts of the country and if not, the reasons therefor?

THE MINISTER OF POWER (SHRI P.M. SAYEED):(a) and (b) There is an overall shortage of power in the country presently. The shortage varies from State to State and time to time. The average electrical energy shortage in the country during the period April—October, 2005 was 7.3% and peak shortage was 9.1%.

Electricity is a concurrent subject. The supply and distribution of electricity in a State is the responsibility of the concerned State Government/State Power Utility. The Central Government supplements the efforts of State Government by way of generation capacity addition and establishment of bulk transmission system in the Central Sector through Central Public Sector Undertakings.

The main reasons for shortage of power are growth in demand outstripping the growth in generation capacity addition, shortage of peaking power, low plant load factor of some of the thermal generating units, mostly in the State Sector, high transmission & distribution losses, shortage of gas and coal, backing down of thermal generating units due to better water inflows, prolonged forced outages of old plants, poor financial position of most of the State Power utilities rendering it difficult for them to raise the